

20 VAC 5-200-21. Rules governing streamlined rate proceedings and general rate proceedings for electric cooperatives subject to the State Corporation Commission's rate jurisdiction.

A. Nothing in these rules shall be interpreted to apply to applications for temporary reductions of rates pursuant to §56-242 of the Code of Virginia.

B. All streamlined or general rate applications for jurisdictional electric distribution cooperatives ("cooperatives" or "applicants") shall be subject to the following rules:

1. Pursuant to §56-235.4 of the Code of Virginia and the exceptions stated therein, the regulated operating revenues of a cooperative shall not be increased more than once within any 12-month period. However, streamlined rate relief may become effective in less than 12 months after a preceding increase provided that regulated base operating revenues are not increased more than once in any calendar year.

2. An applicant may select any test period it wishes to use to support its application.

3. Any increase in revenues under these rules shall be allocated in accordance with a properly designed cost of service study.

4. A cooperative which has outstanding wholesale power cost riders which reflect permanent changes in power costs approved by a regulatory agency shall adjust its base rates to reflect such changes at the same time it increases its rates in a rate application.

5.a. Except as otherwise provided herein, all applications for rate relief shall be filed in the original and 15 copies with the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218.

b. Where a filing contains information that the applicant claims to be confidential, the filing may be made under seal provided it is accompanied by both a motion for protective order or other confidential treatment and an additional five copies of a redacted version of the filing to be available for public disclosure. Unredacted filings containing the confidential information shall, however, be immediately available to the commission staff for internal use at the commission.

Filings containing confidential (or redacted) information shall be so stated on the cover of the filing, and the precise portions of the filing containing such confidential (or redacted) information, including supporting material, shall be clearly marked within the filing.

6. An electric cooperative intending to file a rate application shall notify the State Corporation Commission ("commission") and all parties of record appearing in the cooperative's last rate case at least 60 days in advance of the filing of the application. Also, public notice of the intent to file a rate application shall be provided 60 days in advance of the filing of said application to all of the cooperative's customers, using any of the methods of publication set out in subdivision C 12 of this section.

7. The commission retains the right to waive any or all parts of these rate case rules for good cause shown.

8. An application shall not be deemed filed under §56-238 of the Code of Virginia unless it is in full compliance with these rules.

C. An applicant may file a complete application for streamlined rate relief provided the following limitations are met:

1. The increase in total operating revenues as calculated in column (5) of Schedule 3 of Appendix A, included herein, is not more than the test period increase in the Consumer Price Index ("CPI"), or 5.0%, whichever is less. The CPI shall be defined as the Consumer Price Index for all Urban Consumers (CPI-U) for all items, as estimated by the U.S. Department of Labor, Bureau of Labor Statistics, and published in its Summary Data from the Consumer Price Index News Release, or its successor. As calculated in this publication, the percentage change in the CPI-U for a test year will be the index for the last month of the test year divided by the index for the same month one year prior, minus one, multiplied by 100; and

2. Earnings after the proposed increase must not produce financial ratios which exceed the level approved by the commission in the applicant's most recent general rate case.

Subject to the rules set forth below, a cooperative which files an application for streamlined rate relief may petition the commission requesting that its rates be made permanent no less than 30 days from the date the application is deemed complete and filed with the commission if there are insufficient customer objections to the application or if the commission does not suspend the proposed increase and convene a hearing.

3. A cooperative filing a rate application under the streamlined rate procedure shall not:

a. Increase rates by more than the increase in the test period CPI or 5.0% (whichever is less) of adjusted Virginia jurisdictional operating revenues;

b. Request earnings, after the proposed increase, which produce financial ratios that exceed those approved by the commission in the applicant's most recent general rate case;

c. Propose revisions to its terms and conditions of service; or

d. Propose revisions to its rate structure as part of its application.

4. The commission may, on its own motion, suspend a cooperative's proposed rate increase and tariff revisions pursuant to §56-238 of the Code of Virginia and may convene a hearing on the cooperative's streamlined application.

5. The commission may suspend a cooperative's proposed tariff revisions and increase in rates and shall schedule a hearing thereon if the lesser of 150 or 5.0% of the customers or other persons within a class and subject to a change in a rate, toll, or charge object to the proposed revision or increase in a rate or if the lesser of 150 or 5.0% of the customers or consumers or other persons subject to such rate, toll or

charge of a cooperative object to the proposed rate or tariff revision.

6. The commission may, in its discretion, suspend an electric cooperative's rate increase and proposed tariff revisions in a streamlined rate proceeding on the motion of its own staff, on the motion of the Division of Consumer Counsel, or on the motion of any person subject to such change who requests a hearing and states a substantive reason why a hearing is necessary.

7. The requested rate increase for streamlined rate relief shall be supported by a fully adjusted financial status statement (Schedule 3 of Appendix A included herein).

8. Adjustments to test year cost of service shall be limited to the amount of increase or decrease that will be in effect during the rate year.

9. A cooperative shall not file more than three consecutive applications for streamlined rate relief; nor shall there lapse more than five years since the later of the date of the final order or the effective date of rates specified in the final order in the applicant's last general rate case when filing an application for streamlined rate relief.

10. An application filed under the streamlined rate procedure shall include:

a. The name and post office address of the applicant and the name and post office address of counsel of record, if any.

b. A brief narrative statement describing the change in rates and tariff revisions and explaining the need for a change in rates and tariff revisions. This statement shall include a description of the actions taken by the cooperative to advise its membership of the change in rates and contents of its application.

c. A copy of the resolution calling for a change in rates adopted by the Board of Directors of the cooperative.

d. A copy of the completed notice given to the public by the cooperative, including a description of the method of publication used.

e. Schedules 1 through 9 of Appendix A included herein.

11. Public notice of the increase and tariff revisions shall be completed 30 days in advance of the date the cooperative files its application for revised rates with the commission. Actual proof of public notice shall be furnished to the commission as part of the rate application.

12. The public notice of the increase and tariff revisions in an application for streamlined rate relief may be given by:

a. Direct mailing to each customer;

b. Publication in Rural Living magazine, or the cooperative's member publication;

- c. Newspapers of general circulation in the area served;
- d. Any combination of these methods; or
- e. Any other method of publication authorized by the commission.

13. A copy of the notice shall be served on the Commonwealth's Attorney and Chairman of the Board of Supervisors of each county (or equivalent officials in the counties having alternative forms of government) in the state in which the cooperative offers service, and on the mayor or manager and the attorney of every city and town (or equivalent officials in towns and cities having alternative forms of government) in the state in which the cooperative offers service and upon the Division of Consumer Counsel, Office of the Attorney General. Service shall be made by either personal delivery or first class mail, postage prepaid, to the customary place of business of the person served or to his residence.

14. The public notice shall, at a minimum, include the following information:

- a. The amount of the total increase in revenues, both in percentages and dollar amounts;
- b. The percentage increase being applied to each of the cooperative's rate schedules;
- c. The identity of all wholesale power cost riders to be rolled-in to base rates;
- d. The locations where copies of the information required to be filed with the commission can be reviewed;
- e. The date the application will be delivered to the commission;
- f. A notice that any person subject to the change or changes proposed by the cooperative has the right to request a hearing within 30 days of the application's delivery to the commission;
- g. A notification that requests for hearing should be directed to the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218;
- h. A statement advising that the commission may convene a hearing, and if a hearing is held, the commission may order rate relief, redesign rates or adopt tariff revisions which differ from those appearing in the cooperative's application;
- i. A statement advising the public that if the lesser of 150 or 5.0% of the customers or other persons within a class and subject to a change in a rate, toll, or charge do not request a hearing, and if the lesser of 150 or 5.0% of the customers or consumers or other persons subject to such rate, toll or charge of the cooperative do not object to a rate change or tariff revision, the cooperative may petition the commission to make rates permanent without hearing within 30 days after the application is filed with the commission; and
- j. A statement advising the public of the cooperative's proposed effective date for its new rates.

15. If the commission determines that a hearing on the application for streamlined rate relief is required, then the commission shall issue a procedural order which, among other things, shall specify the date by which the cooperative shall file with the Clerk of the Commission an original and 15 copies of any direct testimony the cooperative intends to rely on in support of its application, together with the remaining schedules set forth in Appendix A. That Order shall specify such additional notice of the hearing to the electric cooperative's members that the commission deems appropriate.

D.1. A cooperative seeking (i) an increase that produces financial ratios in excess of those allowed in the applicant's most recent general rate case; (ii) an increase in jurisdictional adjusted operating revenues of more than the test period increase in the CPI (as defined in subdivision 1 of subsection C of this section); (iii) revision of its terms and conditions of service; or (iv) to redesign or restructure its rates shall file an original and 15 copies of a general rate application with the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218.

2. An application seeking a general rate increase shall include:

a. The name and post office address of the applicant and the name and post office address of counsel of record, if any.

b. A brief narrative statement describing the change in rates and tariff revisions and explaining the need for a change in rates and tariff revisions. This statement shall include a description of the actions taken by the cooperative to advise its membership of the change in rates and contents of the rate application.

c. A copy of the resolution calling for a change in rates adopted by the cooperative's Board of Directors.

d. All direct testimony which the cooperative intends to rely on in support of its rate application.

e. Exhibits consisting of the Schedules 1 through 13, found in Appendix A included herein. Such schedules shall be identified with the appropriate schedule number and shall be prepared in accordance with the instructions contained in Appendix A included herein and the following general instructions:

(1) Attach a table of contents to the cooperative's application, including exhibits.

(2) The applicant shall be expected to verify the accuracy of all data and calculations contained in and pertaining to every exhibit submitted, as well as support any adjustments, allocations or rate design upon which it relies.

(3) Each exhibit shall be labeled with the name of the applicant and the initials of the sponsoring witness in the upper right hand corner as shown below:

Exhibit No. (Leave Blank)

Witness: (Initials)

Statement or Schedule Number

The first page of all exhibits shall contain a caption which describes the subject matter of the exhibit.

(4) The required accounting and statistical data shall include three copies of all work papers and other information necessary to ensure that the items, statements and schedules found in the application are not misleading.

f. Exhibits consisting of additional schedules may be submitted with the cooperative's direct testimony. Such schedules shall be identified as Schedule 14 (this exhibit may include numerous sub-schedules labeled 14A et seq.) and shall conform to the general instructions contained in subdivision 2e of subsection D of this section.

g. The commission shall prescribe the general notice to be given to the public and the date by which such notice shall be completed in its procedural order.

h. The applicant shall serve a copy of the information required in subdivisions 2a through 2c of subsection D of this section upon the Commonwealth's Attorney and Chairman of the Board of Supervisors of each county or (equivalent officials in counties having alternative forms of government) in the state affected by the proposed increase and upon the mayor or manager and the attorney of every city and town (or equivalent officials in towns and cities having alternative forms of government) in the state affected by the proposed increase. The applicant shall also serve each such official with a statement that a copy of the complete application may be obtained by such official at no cost by making a request thereof orally or in writing to a specified company official or location. In addition, the applicant shall serve a copy of its complete application upon the Division of Consumer Counsel of the Office of the Attorney General in Virginia. All such service specified by this rule shall be made either by (i) personal delivery or (ii) first class mail, to the customary place of business or to the residence of the person served.

E. Any cooperative filing a rate application pursuant to §56-582 of the Virginia Electric Utility Restructuring Act (§56-576 et seq. of the Code of Virginia) shall include the schedules required for a general rate case, as set forth in Subsection D, of this section, as well as Schedules 15 through 19.

F. Rate reductions and tariff revisions filed pursuant to §56-40 of the Code of Virginia shall be filed with the Division of Energy Regulation and shall include the following:

1. A descriptive statement of and justification for the tariff revision;
2. Load data if applicable;
3. A certified excerpt from the minutes of the cooperative's Board of Directors, wherein the Board approved the tariff revision;

4. Identification of all customers that may be eligible for the tariff revision;
 5. A revenue impact study; and
 6. An affidavit by the cooperative's manager that the proposed tariff revision affects no increase in rates.
- G. These rules do not limit the Commission staff or parties other than the applicant from raising new issues not addressed by the applicant for Commission consideration.
- H. Requests for temporary increases in rates filed pursuant to §56-245 of the Code of Virginia shall include Schedules 1, 2 and Columns (1) through (5) of Schedule 3.
- I. Failure to comply with the rules governing streamlined rate applications or general rate applications may result in dismissal of the application, or may subject the cooperative to such other actions as the commission deems appropriate, including, but not limited to, prohibiting a cooperative from filing an application for streamlined rate relief for a period of time specified by the commission.

APPENDIX A.

SCHEDULES REQUIRED FOR A STREAMLINED OR GENERAL RATE APPLICATION

<u>Schedule Number</u>	<u>Streamlined Rate Proceeding Schedules</u>
1	Comparative Balance Sheets
2	Comparative Income Statements
3	Financial Status Statement
4A and B	Detail of Ratemaking Adjustments
5A and B	Proposed Rates and Tariffs and Revenue Allocation
6	Sample Billing
7	Class Cost of Service Study
8	Capital Structure
9	Affiliate Services

<u>Schedule Number</u>	<u>General Rate Proceeding Schedules</u>
1	Comparative Balance Sheets
2	Comparative Income Statements
3	Financial Status Statement
4A and B	Detail of Ratemaking Adjustments
5A and B	Proposed Rates and Tariffs and Revenue Allocation
6	Sample Billing
7	Class Cost of Service Study
8	Capital Structure
9	Affiliate Transactions
10	Net Original Cost Rate Base
11	Working Papers for Ratemaking Adjustments
12	Revenue and Expense Variance Analysis
13	Jurisdictional Allocation
14	Reserved for Additional Exhibits

Schedule 1 - Comparative Balance Sheets

Instructions: Provide a publicly available comparative balance sheet for the test period and the corresponding 12-month period immediately preceding the test period for the applicant.

Schedule 2 - Comparative Income Statements

Instructions: Provide a publicly available comparative income statement covering the test period and 12-month period immediately preceding the test period for the applicant.

Schedule 3 - Financial Status Statement

Instructions: Use the format of the schedule identified as Schedule 3 in this Appendix.

Adjustments in Column (2) reflect any financial differences between Generally Accepted Accounting Principles (GAAP) and ratemaking accounting as prescribed by the State Corporation Commission. An example of such an adjustment would include, but would not be limited to, the reclassification of

capital leases to operating leases. Each Column (2) adjustment shall be separately identified and shown using the format prescribed for Schedule 4A and 4B.

Column (4) shall reflect total nonjurisdictional operations. Jurisdictional allocation factors used to determine nonjurisdictional business in Column (4) amounts shall be fully supported and explained in Schedule 13 for general rate filings.

Each Column (6) adjustment shall be separately identified and shown in Schedule 4A and 4B. In a streamlined rate proceeding, adjustments reflected in Column (6) of Schedule 3 which do not incorporate ratemaking treatment approved by the commission in the utility's last general rate case shall be identified as new proposed adjustments in Schedule 4A and 4B.

Riders reflected on line 4 shall be separately listed to include a line for each rider in effect during the test year or projected for the rate year. The amount of other income and other expense shown in Column (5), lines 20 and 23, shall be the current amount recognized as jurisdictional in the applicant's last general rate case. Amounts reflected on line 33 shall be actual cash receipts.

Lines (29), (30), (31), and (32) shall be based on the following definitions:

Line 29.

$$\text{TIER} = \frac{\text{Total Margins (Line 24)} + \text{Interest on Long-Term Debt (Line 21)}}{\text{Interest on Long-Term Debt (Line 21)}}$$

Line 30.

$$\text{DSC} = \frac{\text{Total Margins (Line 24)} + \text{Depreciation and Amortization Expense (Line 11)} + \text{Interest on Long-Term Debt (Line 21)}}{\text{Total Principal Payments} + \text{Total Long-Term Interest Payments}}$$

Line 31.

$$\text{Rate of Return on Rate Base} = \frac{\text{Operating Margins Adj. (Line 18)}}{\text{Total Rate Base (Line 28)}}$$

Line 32.

$$\text{Rate of Return on Margins and Equities} = \frac{\text{Total Margins (Line 24)}}{\text{Total Margins (Line 24)}}$$

Total Margins and Equity Capitalization (Schedule 8)

Schedules 4A and 4B - Detail of Ratemaking Adjustments

Instructions: Use format of the schedule identified as Schedule 4A and 4B to this Appendix.

Each adjustment shall be numbered sequentially and listed under the appropriate description category (Base Rate Revenue, Fuel-WPCA Revenue, Purchased Power, etc.). The impact on cost of service from each adjustment shall be detailed in Columns (1) through (16).

Each ratemaking adjustment shall be fully explained in a supporting subschedule 4B to this schedule.

Detailed workpapers substantiating each adjustment shall be provided in Schedule 11 for general rate filings.

Schedule 5A and 5B - Proposed Rates and Tariffs, and Revenue Allocation by Class

Schedule 5A Instructions:

Provide a copy of each tariff sheet with the revisions the cooperative proposes to implement. For general rate applications, provide a copy of all tariffs and Terms and Conditions of Service Sheets proposed for revision containing the revised language.

Schedule 5B Instructions:

Provide a class revenue allocation analysis showing, by class, the present revenue recovered from each class, the proposed increase in revenue to be recovered from each class, the total proposed revenue to be recovered from each class, and the percentage of increase in total revenue to be recovered from each class.

Schedule 6 - Sample Billing

Instructions: Provide a sample billing analysis showing the effect on customers of the proposed tariff changes at various levels of consumption, for all classes of service.

Schedule 7 - Class Cost of Service Study

Instructions: A. Each streamlined rate application shall include a copy of the cost of service study used to determine the allocation of revenues to each class. The cost of service study shall be based on per books data which is no more than five years old. Each general filing shall include a copy of the cost of service study used to allocate the increase or to adjust rate design. The data used in a cost of service study submitted in a general rate case shall use the same test period as used in the cooperative's general rate application.

B. Each cost of service study shall consist of the following schedules:

1. For multi-state cooperatives, provide total system rate base, revenue and operation and maintenance expenses by account number, or major account group showing separation between Virginia and nonjurisdictional operations.
2. Provide a jurisdictional financial status statement in the format of Schedule 3, column (5) of Appendix A for each customer class and the return provided by these classes.
3. For all service schedules, present the unit cost per kilowatt, kilowatt hour, and customer resulting from the cost study. Include the kilowatt hours, demand, and number of customers, as well as the total cost for each component by class and the allocated rate base by class, as support for the unit costs derived.
4. If directed by the commission, the cooperative shall collect and maintain separate expense, rate base, and revenue data on nonjurisdictional consumers within Virginia.
5. For all service classes, provide a schedule of consumers by service class indicating the total number of customers in the class and the number of nonjurisdictional consumers in Virginia in the class.

Nonjurisdictional consumers in Virginia include government agencies: federal, state, local, and regional government authorities. If there are nonjurisdictional consumers in any class, this schedule must be accompanied by a list of all such nonjurisdictional consumers by service class and their usage characteristics.

6. Provide a short narrative describing the cost of service study methodology employed. This narrative shall include the following information:
 - (a) Identification and description of the classification used to assign rate base as demand, energy, or customer related. Specifically, include the classification methodology used to differentiate between demand and customer components of distribution plant; and the customer classification used in the study, i.e., minimum system, minimum size, zero intercept, etc.
 - (b) Identification of the allocation methodology used for assigning rate base, revenue, and expenses to customer classes. For demand allocation method, e.g., average and excess, noncoincident peak; customer allocation method, e.g., number of customers, weighted customers, etc.
 - (c) Provide a table showing the kilowatts, kilowatt hours, number of customers allocated to each class, including the derivation of the demand, energy, and customer allocators for each class.
7. Provide a list of classification and allocation factors used.
8. Provide a copy of the actual study by account or primary account. The primary accounts shall identify the secondary accounts included by account number. Indicate which allocators and classifiers were used to assign each account.

Schedule 8 - Capital Structure and Cost of Debt Statement and Supporting Schedules

Instructions: Use the format of the schedule identified as Schedule 8 in this Appendix.

Column (1) shall reflect the per books capital structure at the end of the test year. Data in Column (1) shall be compatible with the applicant's publicly available financial statements. Adjustments in Column (3) reflect any financial differences between Generally Accepted Accounting Principles and ratemaking accounting as prescribed by the commission. Each Column (3) adjustment shall be separately identified in a supporting schedule, if not already identified in Schedule 4A or 4B.

Schedules shall be provided to support the amounts and cost rates of short- and long-term debt in Columns (4) and (6), respectively, and the adjusted amounts and cost rates in Columns (8) and (10), respectively. Each issue of long-term debt shall be listed with its corresponding interest rate, date of issue, maturity, and lending institution(s) or other source(s). Short-term debt shall be listed with a high, low, ending, and average balance for each month, a weighted average interest rate for each month, and the name of the lending institution(s) or other source(s).

Schedule 9 - Affiliate Services

Instructions: For purposes of this schedule affiliate services shall be defined to include those services between regulated and competitive divisions of an incumbent utility. If any portion of the required information has been filed with the Commission as part of an applicant's Annual Report of Affiliate Transactions, the applicant may reference such report clearly identifying what portions of the required information are included in the Annual Report of Affiliate Transactions.

Provide a narrative description of each type of affiliated service received or provided during the test period.

Provide a summary of affiliate transactions detailing costs by function for each month of the test period. Show the final Uniform System of Account distribution of all costs billed to or by the regulated entity by month for the test period.

Identify all amounts billed to an affiliate and then billed back to the regulated entity.

Cost records and market analyses supporting all affiliated charges billed to or by the regulated entity/division shall be maintained and made readily available for Commission staff review. This shall include supporting detail of costs (including the return component) incurred by the affiliated interest rendering the service and the allocation methodology. In situations when the pricing is required to be the higher (lower) of cost or market and market is unavailable, note each such transactions and have data supporting such a finding available for commission staff review.

If affiliate charges are booked per a pricing mechanism other than that approved by the Commission for ratemaking purposes, the regulated entity shall provide a reconciliation of books to Commission-approved pricing, including an explanation of why the Commission-approved pricing is not used for

booking purposes.

Schedule 10 - Net Original Cost Rate Base

Instructions: Use the format of the schedule identified as Schedule 10 in this Appendix.

Adjustments in Column (2) reflect any financial differences between GAAP and ratemaking accounting as prescribed by the State Corporation Commission. Each Column (2) adjustment shall be separately identified and reflected using the format prescribed for Schedule 4A and 4B.

Column (4) shall reflect total nonjurisdictional business. Allocation factors used to determine nonjurisdictional business in Column (4) shall be fully supported in Schedule 13.

Each Column (6) adjustment shall be separately identified and reflected in Schedule 4A and 4B. In a streamlined rate proceeding, adjustments reflected in Column (6) of Schedule 3 which do not incorporate the ratemaking treatment approved by the commission in the utility's last general rate case shall be separately identified as new proposed adjustments in Schedule 4A and 4B.

Schedule 11 - Working Papers for Ratemaking Adjustments

Instructions: Provide detailed workpapers and supporting schedules of all proposed adjustments. Each supporting document shall identify the origin of the data shown. Also, indicate whether data is actual or estimated. Working papers shall be numbered, indexed and tabbed for each adjustment. Two copies shall be filed with the Division of Public Utility Accounting, and one copy of the working papers shall be filed with the Division of Energy Regulation.

Schedule 12 - Revenue and Expense Variance Analysis

Instructions: The cooperative shall quantify jurisdictional operating revenues and system operating and maintenance ("O&M") expenses by primary account during the test period and the preceding 12 months. Also, provide jurisdictional sales volumes by customer class for the test period and the preceding 12 months.

The cooperative shall provide a detailed explanation of all jurisdictional revenue and system expense increases and decreases of more than 10% during the test period compared to the previous 12-month period. The expense variance analysis applies to test period expense items greater than two-hundredths of 1.0% (.0002) of total O&M expenses for all cooperatives with total operating expenses exceeding \$50 million, and five hundredths of 1.0% (.0005) of total operating expenses for cooperatives with total operating expenses below \$50 million.

Schedule 13 - Jurisdictional Allocation

Instructions: Provide summary schedules by primary account reflecting all revenue, expense, and rate base items allocated to the Virginia jurisdiction. If directed by the commission, this schedule shall include allocations relating to nonjurisdictional Virginia consumers as well as out-of-state

operations. Provide working papers to support all calculated amounts, including the development of allocation factors.

Provide a narrative explanation and justification of the allocation methodology used. Discuss any changes in the applicant's operations which materially affect any allocation factor.

Schedule 14 - Reserved for Additional Exhibits

This schedule is reserved for additional exhibits presented by the applicant and shall be labeled 14A et seq.

APPENDIX B.

ELECTRIC UTILITY RESTRUCTURING ACT ADDENDUM FOR ELECTRIC COOPERATIVES

Schedule 15 - Balance Sheet - Projected

Instructions: Provide projected balance sheets for each calendar year through 2007. Projections should be consistent with amounts for Rural Utility Service (RUS) financing in RUS Form 325A. Other financial forecasts that extend through 2007 may be used if RUS projections cease to remain applicable. Any deviations from the assumption used for RUS Form 325A should be noted and fully explained.

Schedule 16 - Income Statements - Projected

Instructions: Provide projected income statements for each calendar year through 2007. Projections should be consistent with amounts for RUS financing in RUS Form 325A. Other financial forecasts that extend through 2007 may be used if RUS projections cease to remain applicable. Any deviations from the assumption used for RUS Form 325A should be noted and fully explained.

Schedule 17 - Capital Structure - Projected

Instructions: Provide Capital Structure and Cost of Debt Statements for each calendar year through 2007. Projections should be consistent with amounts for RUS financing in RUS Form 325A. Other financial forecasts that extend through 2007 may be used if RUS projections cease to remain applicable. Any deviations from the assumption used for RUS Form 325A should be noted and fully explained.

Schedule 18 - Detail of Restructuring Act Adjustments

Instructions: This schedule shall be filed in addition to Schedule 4.

Use format of the schedule identified as Schedule 4A and 4B to this Appendix.

Each adjustment shall be numbered sequentially and listed under the appropriate description category (operating revenues, interest expense, common equity capital, etc.).

Restructuring Act adjustments shall reflect an annual going-forward year level of revenues, expenses, and rate base consistent with Virginia Code §56-582. Schedule 9 shall reflect these adjustments in two additional columns after Column (5) and Column (6) shall be titled Restructuring Act Adjustments.

Provide an explanation why some costs (by function) remain at a test year level. Additionally, describe and detail how increases in productivity have been factored into each cost whether adjusted or remaining at a test year level.

Detailed workpapers substantiating each adjustment shall be provided in Schedule 19.

Schedule 19 - Workpapers for Restructuring Act Adjustments

Instructions: This schedule shall be filed in addition to Schedule 11.

Provide detailed workpapers and supporting schedules of earnings test as well as ratemaking adjustments. Each supporting document shall identify the origin of the data shown.

Include 10-year actual and budgeted historical data for each adjustment. For projected adjustment amount, identify budget information as preliminary or final. If preliminary, indicate when final budget is anticipated.

Include a narrative of budgeting methodology as well as any significant changes that have occurred during the ten years.

Working papers shall be indexed and tabbed for each adjustment. Two copies shall be filed with the Division of Public Utility Accounting and one copy to the Division of Energy Regulation.

Schedule 20 - Functional Unbundling

Instructions: Use the format of the schedule identified as Schedule 20 in this Appendix.

Provide cost of service studies that identify the costs associated with the functional areas of generation (production), transmission, distribution and other.

Provide cost breakouts for sub-components of functional areas such as primary and secondary distribution, metering, billing and maintenance. Report cost functions and sub-components on summary sheets by both system and class.

FINANCIAL STATUS STATEMENT PER BOOKS AND FULLY ADJUSTED
FOR THE TWELVE MONTHS ENDING _____, ____

[illegible]

[illegible]

DETAIL OF RATEMAKING ADJUSTMENTS

	(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)	(Col. 8)	(Col. 9)
Adj.		Purchased	Margin	Other	Depr. &	Tax		Operating	Accrued
No.	Description	Revenues	Expenses	O&M Expense	Amort.	Expense	Other	Margins Adjusted	Capital Credit
	Base Rate Revenues								
	Fuel - WPCA Revenue								
	Rider Revenue								
	Margin Stabilization								
	Other Electric Revenues								
	Purchased Power Exp.								
	Margin Stabilization								
	Other O&M Expense								
	Depr. & Amort.								
	Tax Expense - Property								
	Tax Expense - Other								
	Other								
	Operating Margins Adjusted								
	Capital Credits Accrued								
	Other Income								
	Interest on Long-Term Debt								
	Other Interest Expense								
	Other Expense								
	Total Margins								
	Net Utility Plant								
	Allowance for Working Capital								
	Other Rate Base Deductions								
	Total Rate Base								

Adj. No.	Description	(Col. 10) Other Income	(Col. 11) Interest on Long- Term Debt	(Col. 12) Other Exp. (Incl. Int. Exp.)	(Col. 13) Total Margins	(Col. 14) Net Utility Plant	(Col. 15) Allowance for Working Capital	(Col. 16) Other Rate Base Deductions	(Col. 17) Total Rate Base
	Base Rate Revenues								
	Fuel - WPCA Revenue								
	Rider Revenue								
	Margin Stabilization								
	Other Electric Revenues								
	Purchased Power Exp.								
	Margin Stabilization								
	Other O&M Expense								
	Depr. & Amort.								
	Tax Expense - Property								
	Tax Expense - Other								
	Other								
	Operating Margins Adjusted								
	Capital Credits Accrued								
	Other Income								
	Interest on Long-Term Debt								
	Other Interest Expense								
	Other Expense								
	Total Margins								
	Net Utility Plant								
	Allowance for Working Capital								
	Other Rate Base Deductions								
	Total Rate Base								

DETAIL OF RATEMAKING ADJUSTMENTS

Adj. No.	Description	Explanation of Adjustment
	Base Rate Revenues	
	Fuel - WPCA Revenue	
	Rider Revenue	
	Margin Stabilization	
	Other Electric Revenues	
	Purchased Power Exp.	
	Margin Stabilization	
	Other O&M Expense	
	Depr. & Amort.	
	Tax Expense - Property	
	Tax Expense - Other	
	Other	
	Operating Margins Adjusted	
	Capital Credits Accrued	
	Other Income	
	Interest on Long-Term Debt	
	Other Interest Expense	
	Other Expense	
	Total Margins	
	Net Utility Plant	
	Allowance for Working Capital	
	Other Rate Base Deductions	
	Total Rate Base	

CAPITAL STRUCTURE AND COST OF DEBT STATEMENT
PER BOOKS AND FULLY ADJUSTED
For the 12-Months Ending _____, ____

	(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)	(Col. 8)	(Col. 9)	(Col. 10)
	Total Cooperative Per Books	Percentage of Col. 1 Total	Adjustments Due to Ratemaking Requirements	Total Cooperative As Adjusted	Percentage of Col. 4 Total	Cost of Col. 4 Debt	Ratemaking Adjustments	Amounts after Adjustments	Percentage of Col. 8 Total	Cost of Col. 8 Debt
1.	Short-Term Debt									
2.	Long-Term Debt									
3.	Total Margins and Equities									
4.	Other									
5.	Total Capital									
6.	Principal Repayments									
7.	Accumulated Capital Credits									
8.	Accumualted Capital Credits Received									

Schedule 10

NET ORIGINAL COST RATE BASE
PER BOOKS AND FULLY ADJUSTED
For the Period Ending _____, ____

		(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)
Line No.	Description	Total Cooperative Per Books	Adjustments Due to Ratemaking Requirements	Total Cooperative As Adjusted	Non-Virginia Jurisdictional Business	Virginia Jurisdictional Business	Ratemaking Adjustments	Amounts After Adjustments
	Net Utility Plant							
1.	Electric Plant In Service							
2.	Completed Construction Not Classified							
3.	Construction Work in Progress							
4.	Plant Held for Future Use							
5.	Less: Accumulated Provision for Depreciation and Amortization							
6.	Total Net Utility Plant							
	Allowance for Working Capital							
7.	Cash Working Capital: Pur- chased Power							
8.	Other O&M							
9.	Materials and Supplies (13-month average)							
10.	Deferred Fuel							
11.	Other Working Capital (List Separately)							
12.	Total Allowance for Working Capital							
	Other Rate Base Deductions							
13.	Customer Deposits							

		(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)
Line No.	Description	Total Cooperative Per Books	Adjustments Due to Ratemaking Requirements	Total Cooperative As Adjusted	Non-Virginia Jurisdictional Business	Virginia Jurisdictional Business	Ratemaking Adjustments	Amounts After Adjustments
14.	Customer Advances for Construction							
15.	Other Cost Free Capital (List Separately)							
16.	Total Other Rate Base Deductions							
17.	Total Rate Base							

COOPERATIVE NAME
DETAIL OF RESTRUCTURING ADJUSTMENTS
REFLECTED IN COL. (--) OF SCHEDULES – AND --

ADJ. NO.	ADJUSTMENT	AMOUNT
	OPERATING REVENUE ADJUSTMENTS	
	OPERATING EXPENSES ADJUSTMENTS	
	INTEREST ON CUSTOMER DEPOSITS ADJUSTMENTS	
	CHARITABLE AND EDUCATIONAL DONATIONS ADJUSTMENTS	
	CAPITAL CREDITS ACCRUED ADJUSTMENTS	
	OTHER INCOME ADJUSTMENTS	
	INTEREST ON LONG-TERM DEBT ADJUSTMENTS	
	OTHER INTEREST EXPENSE ADJUSTMENTS	
	OTHER EXPENSE ADJUSTMENTS	
	ALLOWANCE FOR WORKING CAPITAL ADJUSTMENTS	
	UTILITY PLANT ADJUSTMENTS	
	COMPLETED CONSTRUCTION NOT CLASSIFIED ADJUSTMENTS	
	CONSTRUCTION WORK IN PROGRESS ADJUSTMENTS	
	PLANT HELD FOR FUTURE USE ADJUSTMENTS	
	ACCUMULATED DEPRECIATION AND AMORTIZATION ADJUSTMENTS	
	OTHER RATE BASE DEDUCTIONS ADJUSTMENTS	
	COMMON EQUITY CAPITAL ADJUSTMENTS	

Exhibit No. _____
 Witness: _____
 Schedule 20A

COOPERATIVE NAME
 JURISDICTIONAL CLASS COST OF SERVICE
 (METHODOLOGY) COST ALLOCATION STUDY
 SYSTEM FUNCTIONAL ANALYSIS
 CASE NO. PUE-----

Line No.	Description	System	Production	Transmission	Distribution	Other	Allocation Basis
10	Operating Revenues						
20							
30	Operating Expenses						
40	Depreciation Expenses						
50	Amortization						
60	Income Taxes						
70	State Income Taxes						
80	Taxes Other Than Income Taxes						
90							
100	Total Operating Expenses						
110							
120	Net Operating Income						
130							
140	Adjustments to Operating Income						
150							
160	Add: AFUDC						
170	Less: Charitable Donations						
180	Interest Expense - Customer Deposits						
190							
200	Adjusted Net Operating Income						
210							
220	Rate Base						
230							
240	ROR Earned on Rate Base						

Exhibit No. _____
 Witness: _____
 Schedule 20B

COOPERATIVE NAME
 JURISDICTIONAL CLASS COST OF SERVICE
 (METHODOLOGY) COST ALLOCATION STUDY
 CLASS SUMMARY
 CASE NO. PUE-----

Line No.	<u>Description</u>	Virginia <u>Juris.</u>	Retail <u>Class 1</u>	Retail <u>Class 2</u>	Retail <u>Class 3</u>	Retail <u>Class 4</u>	Retail <u>Class 5</u>	Allocation <u>Basis</u>
10	Operating Revenues							
20								
30	Operating Expenses							
40	Depreciation Expenses							
50	Amortization							
60	Income Taxes							
70	State Income Taxes							
80	Taxes Other Than Income Taxes							
90								
100	Total Operating Expenses							
110								
120	Net Operating Income							
130								
140	Adjustments to Operating Income							
150								
160	Add: AFUDC							
170	Less: Charitable Donations							
180	Interest Expense - Customer Deposits							
190								
200	Adjusted Net Operating Income							
210								
220	Rate Base							
230								
240	ROR Earned on Rate Base							

Exhibit No. _____
 Witness: _____
 Schedule 20C

COOPERATIVE NAME
 JURISDICTIONAL CLASS COST OF SERVICE
 (METHODOLOGY) COST ALLOCATION STUDY
 SYSTEM FUNCTIONAL ANALYSIS
 CASE NO. PUE-----

Line No.	Description	Retail Class 1	Production	Transmission	Distribution	Other	Allocation Basis
10	Operating Revenues						
20							
30	Operating Expenses						
40	Depreciation Expenses						
50	Amortization						
60	Income Taxes						
70	State Income Taxes						
80	Taxes Other Than Income Taxes						
90							
100	Total Operating Expenses						
110							
120	Net Operating Income						
130							
140	Adjustments to Operating Income						
150							
160	Add: AFUDC						
170	Less: Charitable Donations						
180	Interest Expense - Customer Deposits						
190							
200	Adjusted Net Operating Income						
210							
220	Rate Base						
230							
240	ROR Earned on Rate Base						